TITLE REPORT FOR

THE INTERNAL REVENUE SERVICE

The undersigned has examined the record title on the Fluvanna County, VA County records (and municipal tax and assessment records if within a municipality) for the period shown below relative to title to the real property described below, and gives the following opinion of status:

Owner(s): **taxpayer**Interest or estate: **fee simple**

Property Description: (or attach copy of legal description)

TRACT ONE: All that certain tract or parcel of land, with improvements thereon, lying and being situate in the Village of Bremo Bluff, Fork Union Magisterial District of Fluvanna County, Virginia, containing one (1) acre, more or less, being that land on which the present Smith Funeral Home is located, on the north side of the adjoining Virginia State Highway No. 656, bounded on the south by the said highway, on the west by the hereinafter-mentioned Tract Three, on the north by Phillip Campbell tract, and on the east by the Tarah Morris tract, being in all respects the land conveyed as two tracts to S. T. Ranson and Leland W. Smith, jointly, by deed of Ralph P. Zehler, Jr., Special Commissioner, dated February 5, 1953, recorded in the Clerk's Office of the Circuit Court of Fluvanna County in Deed Book 45, Page 341.

TRACT TWO: All that certain lot or parcel of land lying and being situate in the Village of Bremo Bluff, Fork Union Magisterial District of Fluvanna County, Virginia, being 8 foot by 8 foot square, and completely surrounded by the above-mentioned tract, being the same land on which the water-pumping structure is located and was reserved in a certain deed from S. T. Ranson and other to Arthur Ramon Thacker and others dated February 1, 1946, recorded in the aforesaid Clerk's Office in Deed Book 35, at Page 92.

TRACT THREE: All that certain lot or parcel of land lying and being situate in the Village of Bremo Bluff, Fork Union Magisterial District of Fluvanna County, Virginia, containing one-half (.5) of an acre, on the north side of Virginia State Highway No. 656, bounded by the said highway on the south, the land now or formerly owned by Mary L. and Arthur L. Kyser on the west, the Phillip Campbell tract on the north and the above-mentioned Tract One on the east, being part of the land conveyed to S. T. Ranson, and William H. Ranson, jointly, by deed of Florence D. Chewning and husband, dated April 13, 1929, recorded in the aforesaid Clerk's Office in Deed Book 18, Page 327, the undivided one-half interest of William H. Ranson having been conveyed to S. T. Ranson by deed dated March 12, 1946, recorded in the aforesaid Clerk's Office in Deed book 35 at Page 153.

Tax value = \$229,700.00

Subject to the uninitialed STANDARD EXCEPTIONS on reverse side hereof.

Also subject to the following SPECIAL INFORMATION AND EXCEPTIONS:

Taxes: PIN = 58-A-20

1. Ad valorem taxes are paid through and including those for the year: 2003.

NOTE: Delinquent Taxes, SH 2004-FH 2005 sent to Collection-Contact Anthony Paone at (804)935-3090 for details

Restrictive Covenants? **n/a**.

Survey and Inspection Report Attached? n/a

Recorded Plat? n/a

Access to Public Right of Way? Yes

* (If private easement, attach copy).

If over a private easement, has a search been made of adjoining property on which easement crosses? ****

Property Occupied By: unknown

Other Easements, Liens, Deeds of Trust, Objections or Defects:

DEED OF TRUST: To: Anthony Paone, II and J. Paul Gregoria, Trustee for Darvin E. Satterwhite Amount: \$25,000.00

Recorded: 8/22/00 Book: 399 Page: 308

DEED OF TRUST: To: Steven Shareff, Trustee for Evelyn P. Dawami Amount: \$145,000.00

Recorded: 4/19/2010 Book: 815 Page: 841

LIENS/JUDGMENTS:

- 1. Judgment in favor of the Internal Revenue Service, filed for record in Book 13, Page 215, in the sum of \$4,562.26, plus penalties, fees, costs and interest, if any.
- 2. Judgment in favor of the Internal Revenue Service, filed for record in Book 15, Page 545, in the sum of \$12,723.24, plus penalties, fees, costs and interest, if any.
- 3. Judgment in favor of the Internal Revenue Service, filed for record in Book 16, Page 649, in the sum of \$4,705.30, plus penalties, fees, costs and interest, if any.
- 4. Judgment in favor of the Internal Revenue Service, filed for record in Book 16, Page 732, in the sum of \$2,910.17, plus penalties, fees, costs and interest, if any.
- 5. Judgment in favor of the Internal Revenue Service, filed for record in Book 16, Page 916, in the sum of \$21,418.61, plus penalties, fees, costs and interest, if any.
- 6. Judgment in favor of the Internal Revenue Service, filed for record in Book 16, Page 993, in the sum of \$3,703.33, plus penalties, fees, costs and interest, if any.

- 7. Judgment in favor of the Commonwealth of Virginia, filed for record in Book 15, Page 918, in the sum of \$, plus penalties, fees, costs and interest, if any.
- 8. Easement in favor of VT & T filed for record in Deed Book 76, Page 440.
- 9. Covenant to furnish water to the properties of S. T. Ranson as described in Deed Book 71, page 404; Deed Book 116, page 184 and Deed Book 120, Page 430.
- 10. Terms and conditions of water supply agreement as described in instrument recorded in Deed Book 35, Page 91.

This report of title is for the parties to whom it is furnished, is not transferable, and may not be used by any other person or entity without the prior written consent of the undersigned and is limited to the search period below.

The Search Period was from June 7, 1970 to June 7, 2010 at 8:00 A.M.

Brock & Scott, PLLC 5431 Oleander Drive Wilmington, NC 28403 (910)392-4988

STANDARD EXCEPTIONS

The attorney should initial any exceptions that are to be eliminated on the line to the left of the exception.

- ___1. Interest or claims not disclosed by public records, including but not limited to:
 - (a) Unrecorded Mechanics' or Materialmen's liens. (Liens may be filed by persons or entities furnishing labor or materials to any improvements of real property within 120 days from the last day of performance and will upon perfection relate in priority to the first day of performance as a valid lien on
 - real property.)
 (b) Unrecorded leases. (Under North Carolina law, parties in possession of the premises under a verbal or unrecorded lease of three years or less duration may remain in possession under terms of the tenancy.)
 - (c) Matters that may defeat or impair title which do not appear on the record. (Evidence revealing missing heirs, forgeries, etc. may not be on the public records, but such facts if properly established may impair or defeat what appears to be a good title on the record.)
 - (d) Taxes, special assessments and other governmental charges that are not shown as existing liens by the public records. (Governmental charges may be made for acreage fees, tap-on fees, cost of weed cutting, demolition of condemned buildings and other matters that are not shown as existing liens on the property by the public records.)

	(e) Unlisted personal property taxes. (If discovered, such taxes and any penalties may be assessed as a lien on the subject property.)
2	. Matters occurring prior to and subsequent to the inclusive dates of examination.
3	. Matters which would be revealed by a review of the public records regarding the proposed purchaser/borrower, who is not a current owner of the property.
4	Any inaccuracies and discrepancies which an accurate survey of the property may disclose. (A survey, if procured from a competent surveyor or civi engineer, will normally determine whether improvements lie within the boundaries of the property, whether existing utility lines, roads or other easements cross the premises, and whether there are any encroachments.)
5	. Security interests that may have attached to fixtures on the subject property as provided in Article 9 of the Uniform Commercial Code of North Carolina.
6	. Compliance with any local, county, state or federal government law or regulation relative to environment, zoning, subdivision, occupancy, use, construction or development of the subject property.
7	Federal judgments, liens, and proceedings filed only in the Federal Court. (Upon the filing of a petition in Bankruptcy, title to real property vests in the Trustee in Bankruptcy and notice thereof is not always required to be filed in the County in which the Bankrupt owns property; federal condemnation proceedings may vest property in the federal government and notice thereof is not required to be recorded among the County records.)
8	. Civil actions where no notice of lis pendens against subject property appears of record.

Note: The matters included in Standard Exceptions Number One (1) above set forth are items that cannot be checked. Standard Exceptions numbered 2,3,4,5,6,7 and 8 are not included in a normal search of the County records during examination of title. Upon special request, additional investigation may be made, and Standard Exceptions numbered 2, 3, 4, 5, 6, 7 and 8 can be eliminated. Any such elimination is evidenced by the initialing of such exception in the left margin by the attorney.

(Continued from front)